

PHYSICAL AND
DIGITAL
ENVIRONMENT :
WHICH ONE WILL
PREVAIL?

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OVERVIEW

A Definition of Phygital

Current state

Phygital experiences everywhere

Everyone loves digital.. Or not?

Who remains on top

Connecting Strategies

How has Covid 19 affected online shopping

Future Forecasts

Call to Action



“The digital and physical worlds are starting to come together more seamlessly — it’s only the tip of the iceberg in terms of what’s coming.”

- MARK PARKER

WHAT IS PHYGITAL?

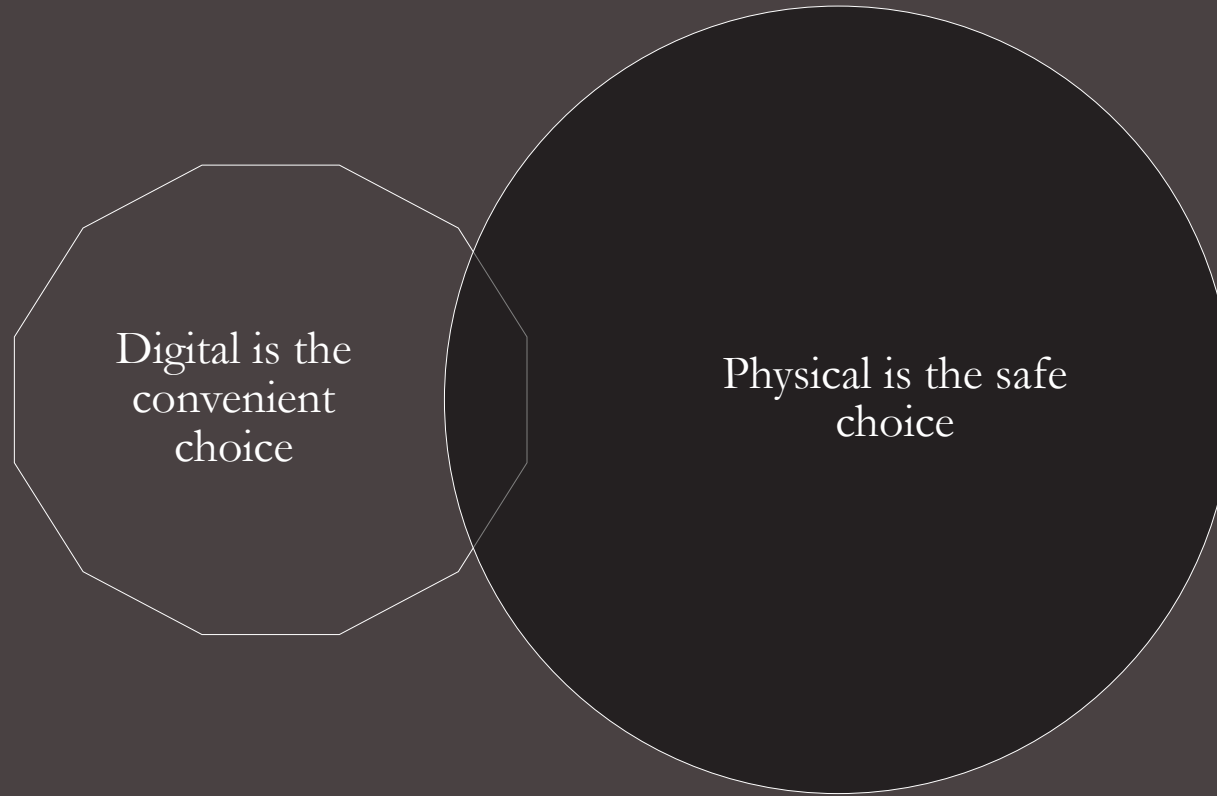


The combination of physical
& digital worlds

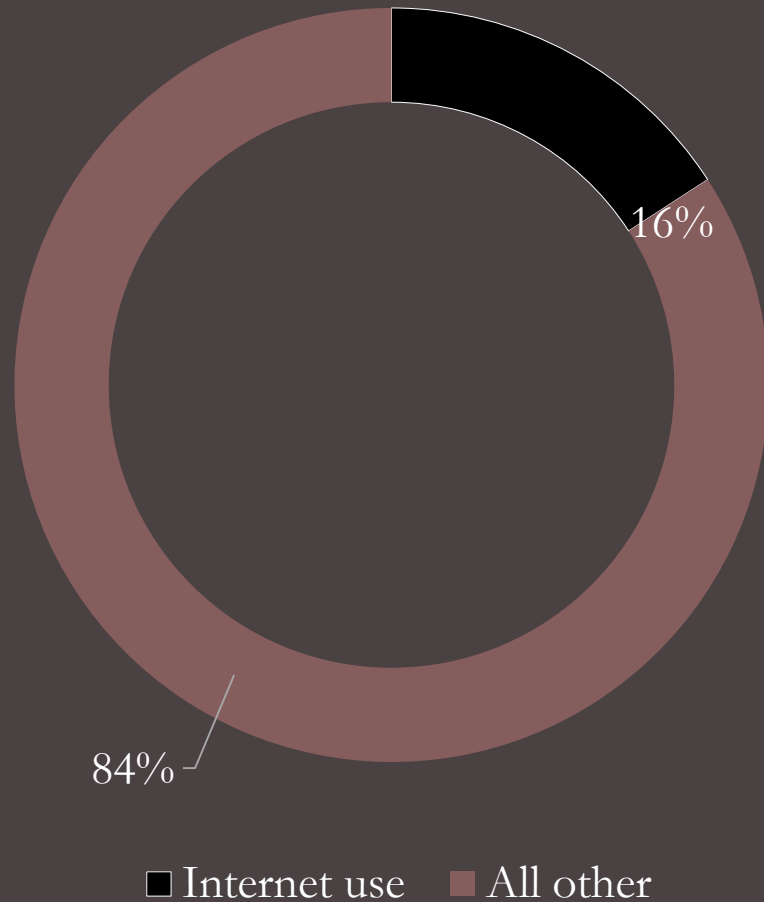


It is about connecting offline
and online practices in order
to have the best shopping
experience

PHYSICAL FEELS SAFE BUT DIGITAL IS CONVENIENT



NEW
GENERATIONS
HAVE A
HIGHER
PENETRATION
IN DIGITAL
TOOLS. **THE
DAILY
INTERNET
USE GROWS
CONSTANTLY.**





THE WORLD GOES DIGITAL

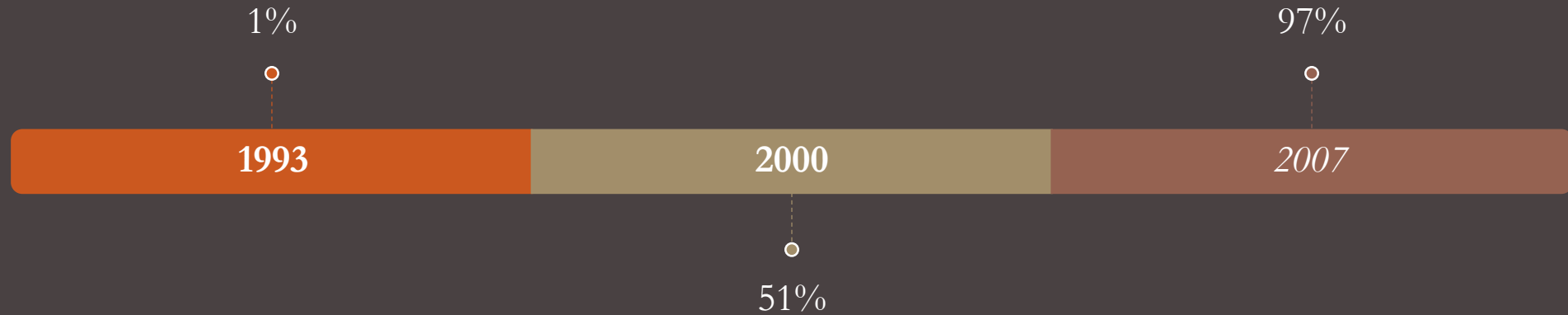
We live in an interconnected digital world where:

- ◆ You don't print holiday pictures - You just share them on social media
- ◆ You don't need a travel agent to book your holidays
- ◆ Most banking transactions can be made online
- ◆ Majority of music distributed is mainly digital (*more than 900million cds shipped in US in 2000 while in 2019 46.5 million - over 90% decline***)
- ◆ News travel almost instantly and not where is a news bulletin on TV (*37% adults prefer to get local news from internet while 41% prefer TV**)

*US Survey conducted in Nov 2018.PEW Research center

**Physical Cd shipment in the US – statista.com

THE INTERNET'S TAKEOVER OF THE GLOBAL COMMUNICATION LANDSCAPE WAS RAPID



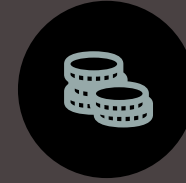
DIGITAL EXPERIENCES EVERYWHERE



Fashion



Tourism



Banking



Transportation



Entertainment



Gambling



Health



Grocery
Shopping

WHY HAS DIGITAL MADE A DIFFERENCE IN RETAIL SHOPPING



EVERYONE
LOVES ONLINE
SHOPPING, OR
NOT?

1 Hard to do full shop online

2 Easier navigation offline

3 Delivery time lag

4 Delivery fee

5 Lack of lower prices

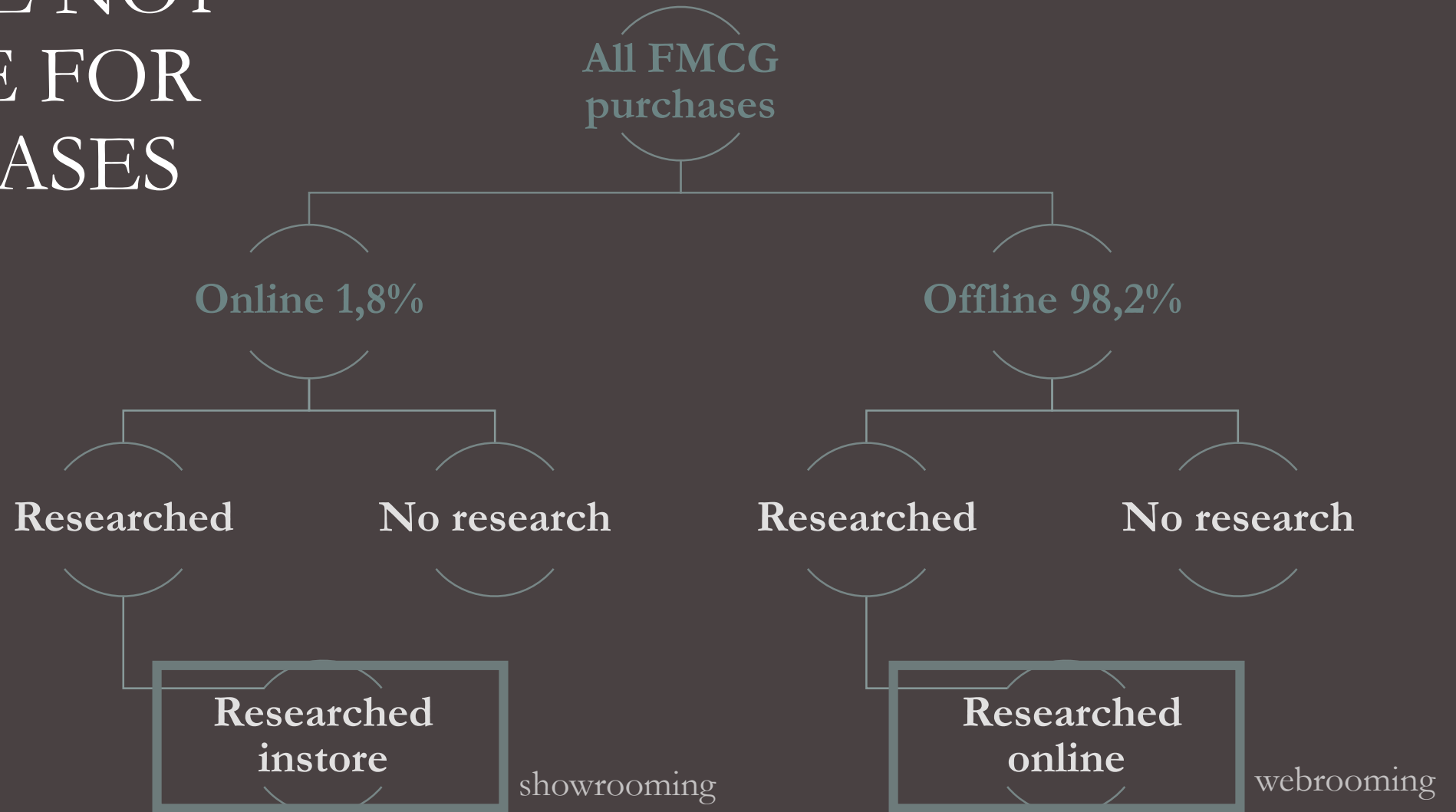
6 Unreliable product quality

7 Hard to visualize the product



EXPERIENCING
AND
DISCOVERING
PRODUCTS IS A
PAIN POINT
FOR ONLINE
SHOPPING

OFFLINE NO1 CHOICE FOR PURCHASES



CONNECTING ONLINE AND OFFLINE : PHYGITAL STRATEGIES



Having the same communication online and offline helps the consumer navigate and connect environments using multiple touchpoints

Banners

Social
Media

Tv

Tailor Made
Stands

Floor
graphics

Radio

Newsletter

Leaflet
insertions

- Consumers googled “online supermarket” in March approx. 2X times more than they had for the last 12 months in total
- Increased the online average basket value
- Traffic of core e-Grocery Players increased by +61% vs last year

THE COVID 19 EFFECT



Continued accelerated digital transformation of life including fast track adoption of digital and connected services

HOW COVID 19 HAS AFFECTED ONLINE SHOPPING?

1 ~~Hard to do full shop online~~

2 Easier navigation offline

3 ~~Delivery time lag~~

4 ~~Delivery fee~~

5 ~~Lack of lower prices~~

6 ~~Unreliable product quality~~

7 ~~Hard to visualize the product~~

→ Need to become more
user friendly

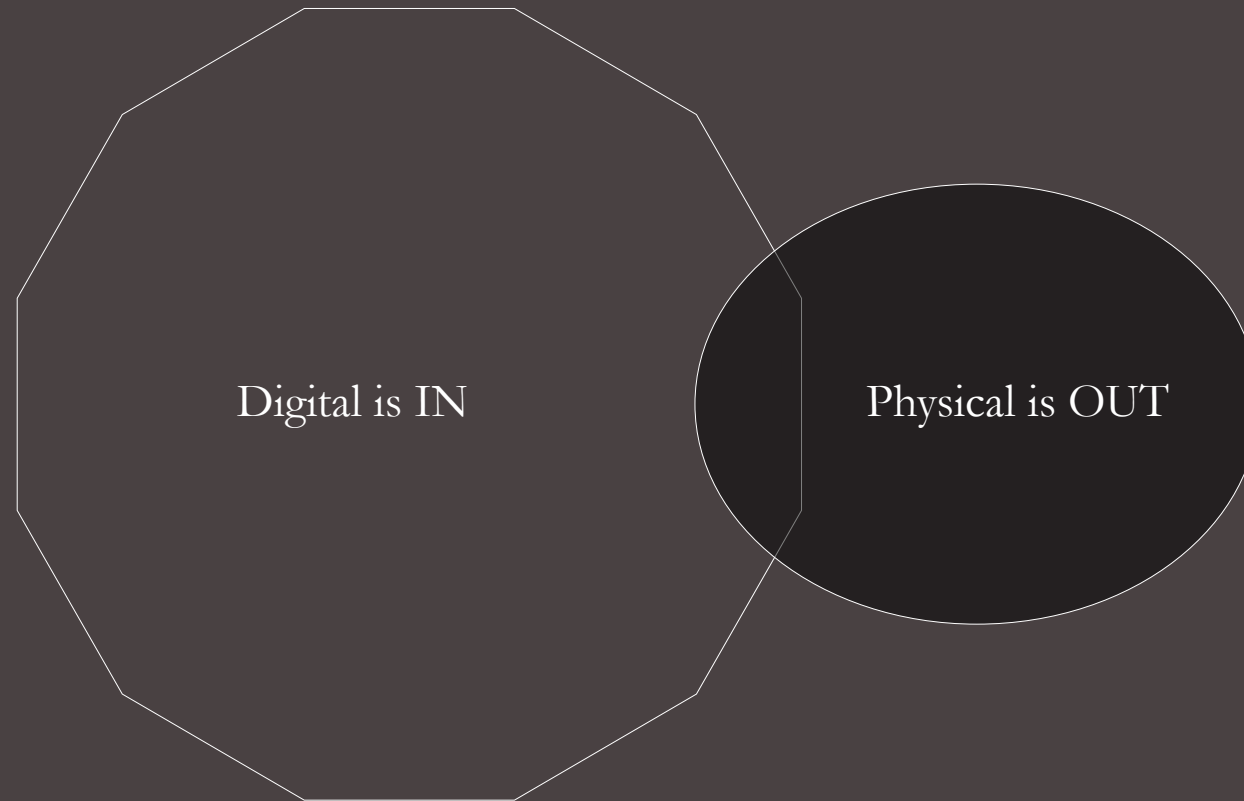
→ Fixed delivery

→ No fee over
certain amount

→ Check box for
fresher products

→ More sampling

FORECASTS SHOW THAT BY 2040 AROUND 95% OF ALL PURCHASES ARE EXPECTED TO BE VIA ECOMMERCE



There's no question that digital has disrupted shopper behavior at a fundamental level; so much so that many shoppers no longer see digital channels as 'digital' – they just 'shop'



Physical shopping is still essential for many shoppers. Digital is growing more than ever.

Build a strong base for the future both physically and digitally.

NOW IS THE
TIME



THANK YOU



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